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C O N F I D E N T I A L SECTION 01 OF 03 ISLAMABAD 000674

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TAGS: [PGOV](#) [PREL](#) [PINR](#) [PTER](#) [PK](#)  
SUBJECT: ZARDARI BEFORE PARLIAMENT: PROBLEMS, PROMISES, AND  
PUNJAB

REF: 08 ISLAMABAD 3073

Classified By: Anne W. Patterson for reasons 1.4 (b), (d).

¶1. (C) Summary: In his second address to a joint session of parliament, President Asif Zardari won his largest rounds of applause when he supported initiatives of his rival, Nawaz Sharif -- lifting governor's rule in Punjab, political reconciliation, and restoration of the deposed judiciary. Zardari reaffirmed a commitment to fighting terrorism and promised the Mumbai suspects would be brought to justice but cautioned that Pakistan's sovereignty would be respected "at all costs." He welcomed President Obama's support for enactment of Kerry-Lugar economic assistance and Reconstruction Opportunity Zone legislation and looked forward to meetings of the Friends of a Democratic Pakistan and a Donors' Conference in April. He reviewed the state of the economy and pledged a series of initiatives to enhance energy, housing, education, labor, human rights, plus provincial autonomy for Balochistan. He offered few specifics on how he would fund these initiatives.

¶2. (C) What Zardari did not do was repeat his September 2008 pledge to cede presidential powers to the Prime Minister; instead, he supported a slow-roll on the issue through a parliamentary committee to review the 17th Amendment of Pakistan's Constitution. Zardari was heckled at the start of the speech by the Pakistan Muslim League, which walked out during the address to protest political "horse-trading" in Punjab. Reaction to the speech from political parties and the media was lukewarm at best. They noted that a Zardari weakened by the governor's rule debacle had only reluctantly acknowledged the obvious -- his Pakistan People's Party could not run Punjab, and he had been forced to accept restoration of the deposed judiciary. End summary.

A Rough Start Over Politics in Punjab

¶3. (SBU) President Asif Zardari addressed (in English) March 28 a joint session of Pakistan's parliament (National Assembly and Senate), with Supreme Court justices, provincial governors, military chiefs, and the diplomatic corps in attendance. He was last before parliament on September 20, 2008, soon after his election (reftel). Before Zardari could even assume the podium, however, proceedings were disrupted by members of the opposition Pakistan Muslim League (PML) attempting to raise a point of order. PML leader Senator Chaudhry Shujaat Hussain later led his party off the floor in protest, ostensibly against "horse trading in Punjab,"

according to PML contacts. It appears a renegade PML "forward bloc" in the Punjab Provincial Assembly is ready to bolt to join Nawaz Sharif's Pakistan Muslim League-N (PML-N).

¶4. (SBU) Speaking for his ruling Pakistan People's Party (PPP), Zardari announced his "recommendation that governor's rule in Punjab be lifted." He further promised the PPP would support "whomever" the rival PML-N would put forward as Chief Minister, without mentioning recently removed (PML-N) Chief Minister Shahbaz Sharif. The PPP would then move to the opposition bench in the province, Zardari added. Referring to ongoing attempts to woo PML members in Punjab, Zardari rejected "horse trading" between parties and "forward blocs" within parties. "Pakistan has enough challenges; it does not need challenges within its democracy."

Problems Persist; Promises Repeated

¶5. (U) Zardari called on the National Assembly Speaker to form an all parties committee to review and recommend changes to the Constitution's 17th Amendment, which former President Musharraf pushed through to indemnify his October 1999 coup and to solidify presidential prerogatives over parliament. Citing the Charter of Democracy signed by his martyred wife Benazir Bhutto and opposition leader Nawaz Sharif, Zardari took credit for restoring the deposed judiciary. He added, "Let not the baggage of the past hold us back; let us move on." He also highlighted that the parliament's Public Accounts Committee was chaired by the opposition, per the Charter.

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¶6. (U) Zardari reiterated that the struggle against violent extremism was "Pakistan's fight," and paid respects to military and civilian victims of terror. He said the GOP would not allow its territory to be used by terrorists and pledged that Pakistan's sovereignty would be defended "at all costs." He reported that amendments to the Federal Crimes Regulation for the Federally Administered Tribal Areas (FATA) have been finalized. Zardari, who just returned from an outreach visit to Balochistan, announced a package of proposed assistance for the Balochis and called on parliament to address the issue of provincial autonomy. He also claimed, later in the speech, that 200 "missing persons" (primarily Balochi and Sindhi nationalists who have been detained often without charge) had been located.

¶7. (U) Zardari announced that funding for the popular Benazir Income Support program would be doubled. Compensation programs for internally displaced persons (IDPs) and victims of terrorist acts would be expanded, and another fund for journalist-victims would be established. Programs for women and youth would likewise grow, though funding details for all of these were unspecified. He also promised greater liberties for media/press and said labor laws would be reviewed to improve working conditions. Zardari made passing reference to the global economic crisis, touting that inflation under the PPP-led GOP was down and remittances and foreign exchange were up. He announced \$30 billion for public-private energy initiatives.

On the World

¶8. (U) Zardari lauded President Obama's March 27 speech announcing support for passage of Kerry-Lugar and Reconstruction Opportunity Zone (ROZ) legislation. President Obama's speech offered "a positive change" and "an endorsement of Pakistani policy to fight terrorism for our own sake and that of our children." He predicted the rest of the international community would help Pakistan through a Donors' Conference and the "Friends of a Democratic Pakistan" initiative, which would help add 20,000 police in each province, he claimed.

¶9. (U) He similarly thanked China for recent security and trade agreements and said he had also signed new bilateral agreements with Afghanistan. He pledged the Mumbai suspects would be brought to justice, supported peaceful resolution of Kashmir and increased trade across the Line of Control, and urged that the Composite Dialogue with India be restarted.

Reaction

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¶10. (C) PML-N parliamentarian Khwaja Asif welcomed the President's goodwill gestures and hoped the judiciary would "take its cue" from Zardari in addressing the Sharifs' disqualification cases. Asif was still leery of the strings that might be attached to lifting governor's rule in Punjab and skeptical about yet another all-parties committee, this time to review amendments to the 17th Amendment. PML-N leader Nawaz Sharif was publicly more blunt, saying political stability in Pakistan hinges on Zardari relinquishing his "dictatorial" powers.

¶11. (U) The reaction of opposition PML was made obvious by its walk-out (para 2). Outgoing leader of opposition religious Jamaat-e-Islami (JI) Qazi Hussain welcomed the decision to lift governor's rule in Punjab but believed Zardari's defense of Pakistani sovereignty was hollow in light of his support for U.S. aid. Jamiat-e-Ulema Islam (JUI-F) leader Fazlur Rehman blasted the President's endorsement of any Pakistan military actions against militants in the frontier regions, saying they were "fellow Pakistanis" who deserved to be heard through negotiations. Baloch nationalist parties, notably opposition leaders from the Jamhoori Watan Party (JWP), Pakhtunkhwa Milli Awami Party (PKMAP) and Balochistan National Party-Mengal (BNP-M), expressed disappointment with Zardari's remarks. They said nothing new was proposed to address their province's demands or problems.

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¶12. (U) The press reaction was lukewarm at best. While most Urdu-language papers applauded Zardari for coming before parliament (Musharraf only once fulfilled this constitutional requirement), the President was challenged to "show results clearly and visibly," said Daily Express. Daily Jhang hailed Zardari's "gesture of cooperation" with the PML-N over Punjab governance, and Daily Ausaf added the speech marked a starting point for political parties to cooperate in tackling domestic and foreign problems. Editorials also called for the transfer of presidential powers to the PM, hoping the announced all-parties committee would actually bear fruit.

¶13. (U) English-language dailies were more critical of Zardari's remarks. Dawn termed it an "ordinary speech" and highlighted the President's "recent political wounds" vis-a-vis the PML-N. It added, "The speech was long on rhetoric but short on the hows and whens." Other newspapers commented that Zardari said nothing controversial; others said they were disappointed. The Frontier Post took particular aim at Zardari "going gaga" over U.S. promises of aid, making Pakistan a "vulnerable candidate of America's coercive diplomacy."

¶14. (C) Comment: Zardari has previously made it clear to the Ambassador that he has no intention of ceding his presidential powers to the Prime Minister, so we were not surprised he continued to slow-roll this issue. Despite pledges of support for political reconciliation, the idea of lifting governor's rule in Punjab before the Supreme Court rules on an appeal of the Sharif brothers' disqualification will jeopardize Shahbaz Sharif's chances to again become Chief Minister, a point not lost upon the PML-N. By doing little more than acknowledge the obvious, this speech was not a home run for Zardari. With his credibility strained by a string of broken promises, Zardari still needs to deliver

economic relief to raise his public popularity. He will be counting on Friends and Donors in Tokyo to do just that. End comment.

PATTERSON